



**DATE:** May 3, 2022

**TO:** Mayor and City Council

**FROM:** City Manager

**SUBJECT:** Stack Center Construction Update: Adoption of Resolutions Accepting a \$2,647,000 CalTrans Grant, and Authorizing the City Manager to Execute a Contract Amendment with RossDrulisCusenbery Architecture for Project Phasing, Not-to-Exceed \$377,800

## **RECOMMENDATION**

That Council adopts a resolution (Attachment II) accepting a \$2,647,000 Caltrans Grant, and a resolution (Attachment III) authorizing the City Manager to negotiate and execute a contract amendment with RossDrulisCusenbery Architecture for project phasing, not-to-exceed \$377,800.

## **SUMMARY**

Community members and elected officials have long held the dream of building a new South Hayward Youth and Family Center at the corner of Tennyson and Ruus Roads, referred to as the Stack Center. For the past seven years, the City and its partners have worked to make this dream a reality.

In 2019 and 2020, the Council authorized the City Manager to execute a contract with RossDrulisCusenbery, Inc. (RDC) for master planning, design, and construction documents for the Stack Youth and Family Center. The documents are nearing completion. At the same time, staff has been working to identify funding for construction. The City has received three grants and now has sufficient funding for Phase I construction on the south end of the project. To phase the construction, RDC needs to prepare two separate sets of construction documents. This report provides an overall project update and seeks Council approval to: 1) accept a Caltrans grant of \$2,647,000 for outdoor elements in Phase I; and 2) execute a contract amendment with RDC to phase the project. The contract amendment would not exceed \$377,800. The project has sufficient funding to cover this cost.

## **BACKGROUND**

Below is a list of major milestones for the Stack Youth and Family Center Project over the past seven years:

- In July 2014, the County Board of Supervisors allocated \$9.6 million from District

2's share of one-time residual property tax funds for the Stack Center.

- In 2015, the City, Alameda County, and the Hayward Area Recreation and Park District (HARD) formed the Stack Center Governance Group to guide the project and obtain the necessary resources.
- In June 2015, the County Board of Supervisors approved the acceptance of a \$5 million grant from the Kaiser Regional Foundation. This total funding amount of \$14.6 million was reduced by approximately \$600,000 to help fund Mia's Dream Park, which is located on parcels abutting the Stack Center project site.
- In September 2016, the Stack Center Governance Group issued a Request for Qualifications for Facility Operator and Administrator Services.
- On March 27, 2018, Council authorized the City Manager to execute a facility operator agreement with La Familia and Eden Youth and Family Center (EYFC).
- In June 2018, the City issued a Request for Proposals (RFP) for Phases I and II of the project: a community analysis, creation of a building program, and preliminary design. The City received eight proposals. The Stack Center Governance Group evaluated each proposal and ranked RDC as the highest.
- On February 5, 2019, Council authorized the City Manager to execute a professional services agreement with RDC for Phases I and II work and accept \$500,000 from Alameda County to cover the cost of the agreement.
- On June 16, 2020, Council authorized the City Manager to execute a professional services agreement with RDC for architecture and engineering services and accept \$2,870,000 from Alameda County to cover the cost of the agreement.
- On July 31, 2021, the partners held an open house at the future center and launched the fundraising campaign.
- On January 5, 2022, Council accepted a grant of \$1 Million in State of California general funds for Phase I construction.

## **DISCUSSION**

### *Design Update*

Over the past three years, City staff and the project partners have met regularly with RDC to create a master site plan, designs, and construction documents to rebuild the EYFC buildings and renovate the Matt Jimenez Community Center (MJCC) to create a combined campus. Renderings of the designs are shown on the project website: [www.stackcenter.org](http://www.stackcenter.org).

The construction documents are over 95% complete and will be finalized mid-summer. Staff expects to receive development permits in early summer and building permits in early fall. Staff is soliciting proposals for a Construction Management firm this month.

### *Youth Participatory Design Process*

As part of the design process, RDC's scope included a youth participatory design process to further engage the community and increase ownership of the design. In summer of 2020, staff convened nineteen young people selected for the process. Due to the pandemic, all agreed to participate in a digital process and staff redesigned the curriculum to use digital tools. The process ran from August through December 2020. Youth were assigned individual work to complete on their own time and the group met for combined discussions

twice a month. Youth were given a \$500 stipend to compensate them for their time and were assisted with digital devices and hot spots to ensure they could join online.



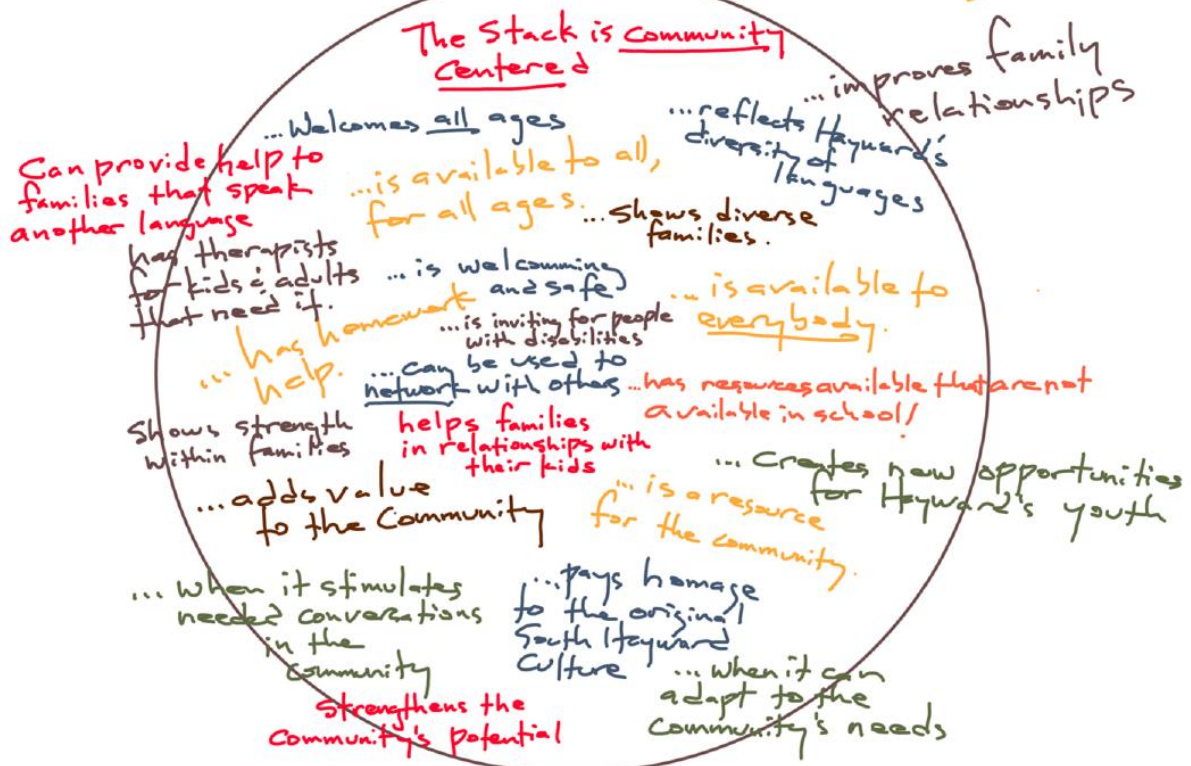
*Youth participants*

A few of the main learnings from the participatory design process:

- The pandemic has been incredibly socially isolating, and young people are craving active public spaces where they can connect and celebrate. There was a particular focus on creating a place with bright colors and “millions of lights” that reflect the diverse holidays celebrated throughout the neighborhood, such as Diwali and Dia de los Muertos.
- Conversely, many young people in South Hayward live in crowded conditions and are sharing rooms with family members. Currently, there are few, if any, attractive spaces they can walk to get away from the chaos at home. This has been compounded by the pandemic. They have a strong desire to beautify natural spaces that can serve as sanctuaries.
- They have a strong desire for a diverse range of increased recreational opportunities, with a focus on performance arts, crafting, and sports like boxing, soccer, and basketball.
- They see a strong connection to food as a way to share diverse cultural heritages and focus on wellbeing.
- They want to prioritize the message of the strength, survival, and resiliency of South Hayward families, many of whom have struggled greatly to immigrate to the United States and who continue to struggle to survive economically, but also contribute greatly as front-line workers and dedicated parents.

The image below shows how the youth participants defined success for the center.

The STACK Center Project will be successful when it...



## VICTORY CIRCLE

As part of the participatory design process, each young person worked with a Hayward artist to create a self-portrait that showed some of the intentions and personality they wanted to see at the future Center. These are a few examples.



**Budget and Fundraising Update**

As part of the design process, staff receives cost estimates and cost escalation updates based on current market conditions. The budget in the table below is based on a 2021 cost estimate that was conducted at 100% design and adjusted to account for a 10%+ increase in construction costs over the past year.

Staff has been working to identify funding for construction throughout the design process. The current funding sources are shown below. In the past year, the City has received two State grants and a Federal grant, totaling \$5.147 Million, and is pursuing additional government grant sources.

In addition, the City hired a fundraising firm in January to identify private funders. The firm, Partnership Resources Group, is convening a stakeholder group this month to finalize leads that they will interview over the next six weeks. At the end of that process, they will produce a report with strategies to appeal to the most promising private funders. The project goal for private fundraising is \$11.4 Million.

The table below shows the estimated cost by item, funding source, and funding gap.

<b>Item</b>	<b>Estimate</b>	<b>Funding Source</b>	<b>Funding</b>	<b>Gap</b>
<i>Design and Construction Documents</i>	\$ 4,247,800	Alameda County	\$ 3,747,800	\$ -
		City of Hayward CIP	\$ 100,000	
<i>Permits and Construction Management</i>	\$ 1,500,000	Alameda County	\$ 1,500,000	\$ -
<i>MJCC Renovation</i>	\$ 2,000,000	State General Fund Grant	\$ 1,000,000	\$ -
		Federal General Fund Grant	\$ 1,000,000	
<i>South Campus Site Work</i>	\$ 5,294,000	City of Hayward – ARPA Funds	\$ 2,000,000	\$ -
		Federal General Fund Grant	\$ 500,000	
		Clean California Grant	\$ 2,647,000	
		La Vista Developer Contribution	\$ 147,000	
<i>Demolition</i>	\$ 1,200,000	La Vista Developer Contribution	\$ 1,200,000	\$ -
<i>New Building</i>	\$ 26,800,000	Alameda County	\$ 5,352,200	\$ 16,294,800
		Kaiser Grant (through County)	\$ 5,000,000	
		La Vista Developer Contribution	\$ 153,000	
<i>North Campus Site Work</i>	\$ 6,000,000	None Identified	\$ -	\$ 6,000,000
<b>TOTAL</b>	<b>\$ 47,041,800</b>		<b>\$ 24,747,000</b>	<b>\$ 22,294,800</b>

Staff is requesting that Council adopts the attached resolution (Attachment II) to accept the Clean California Grant of \$2,647,000 from Caltrans. This grant must be spent by June 2024. The funding will pay for external site work around the MJCC, reconfiguration of the parking lots, and the community event plaza to the east of MJCC. The image below shows the boundaries of this project within the dotted lines.

In addition, the grant will pay for three public art elements based on themes identified during the youth participatory design process and other community input:

1. A mural on the east side of the MJCC – The renovation will convert the east side of the MJCC into the entryway into the gym and add an event plaza. The theme for the mural on that side of the building will be “Youth Thriving Through Multi-Cultural Recreational Opportunities,” including sports to tie into the gymnasium and performance arts to tie into the plaza.
2. A mural on the south face of the MJCC – The theme for this mural will be “Indigenous Food Heritages from Around the World.” This reflects the diversity of the surrounding neighborhoods and ties into the commercial kitchen and food entrepreneurship space inside.
3. A free-standing sculpture on the north end of the community events plaza – The theme for this sculpture will be “Strength Within Families and the Strength of Diverse Families Supporting One Another.”



Phase I boundaries in the dotted line (see Attachment IV for larger image)

### Project Phasing

As shown in the table, the City and its partners now have sufficient funding to construct the MJCC Renovation and South Campus Site Work (Phase I). These elements will mostly be funded through three grants. Each grant has a deadline for spending the funds, with

the soonest deadline being June 2024.

To meet these deadlines, staff is recommending phasing the project in two parts. The first phase will cover the section shown in the dotted line on the figure above. The second phase will demolish and rebuild the buildings on the north campus and create an outdoor amphitheater and gateway plaza. Phasing the project will also create momentum that can be used during the fundraising campaign for private donors.

There is a cost to phasing the project because staff will need to do two separate bids with two sets of documents. Staff is recommending that Council adopts the attached resolution (Attachment III) to amend the contract with RDC to phase project documents. This amendment is not to exceed \$377,800. If Council approves this amendment and agrees with phasing the project, staff expects to go to bid for Phase I in October 2022.

Center Operations

In September 2016, the Stack Center Governance Group issued a Request for Qualifications for Facility Operator and Administrator Services. After negotiations, Council authorized the City Manager to execute a joint facility operator agreement with La Familia and Eden Youth and Family Center in March 2018. That agreement expired in December 2021. Staff is currently in discussions with both organizations to draft an updated agreement that outlines each parties’ roles and responsibilities for the fundraising, construction, and operational periods.

Programming

The project has several non-profit providers that will continue to provide services at the future Center and a few new providers that will join once the new building is constructed. These providers have actively participated in the design process. The providers are summarized in the table below. Most providers will be able to remain in their existing spaces during construction. Two of the providers will need to be temporarily moved. Staff will work with these providers to find spaces that are compatible with their programs.

<b>Provider</b>	<b>Status</b>	<b>Plan during Construction</b>
La Familia	New	Will move in after Phase II construction
Eden Youth and Family Center	Existing	Staff will work with them to find a temporary location to operate during Phase II construction
Silva Clinic - Tiburcio Vasquez Health Center	Existing	Will remain in place during construction and move once the new building is complete
Kidango	Existing	Will move to MJCC after Phase I construction
Alameda County Office of Education	Existing	Staff will work with them to find a temporary location to operate during Phase I and Phase II construction
Hayward Library Educational Services	Currently providing services – will gain full time	Will move in after Phase II construction – services like the Bookmobile will continue during construction

	space	
HARD	Existing	Will remain in MJCC gymnasium
Hayward Arts Council	New	Will curate rotating gallery and provide programming after Phase II construction

**FISCAL IMPACT**

There will be no General Fund impact resulting from either of these resolutions. The Caltrans grant requires a one-to-one match. The project has sufficient funding to cover this match. The project also has sufficient funding to cover the contract amendment with RDC for phasing. With the Caltrans grant, the City currently has enough funds to complete the first phase of construction, per the above table. The second phase of this project has a funding gap of \$22.3 million. Staff is seeking to fill that gap through grants and donations.

**STRATEGIC ROADMAP**

This agenda item is part of the City’s Strategic Roadmap as Support Quality of Life project 1:

- Oversee the rebuilding of the South Hayward Youth and Family Center (the Stack)

**SUSTAINABILITY FEATURES**

The design phase of the project will address and incorporate all City green building ordinances, including the zero-net-energy requirement for new construction.

**NEXT STEPS**

Upon approval by Council, staff will execute the necessary documents with Caltrans to accept the Clean California grant funds and execute the agreement amendment with RDC to phase the project documents. Staff reports every other month to the project’s Governance Group, which is currently comprised of Mayor Halliday, County Supervisor Valle, and HARD Board Member Hodges. The next SHYFC Governance Group meeting is June 6, 2022.

*Prepared by:* Mary Thomas, Management Analyst

*Recommended by:* Jennifer Ott, Assistant City Manager

Approved by:




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Kelly McAdoo, City Manager